

Paul Hudson
Chairman

Julie Caruthers Parsley
Commissioner

Barry T. Smitherman
Commissioner

W. Lane Lanford
Executive Director



Public Utility Commission of Texas

September 21, 2006

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-A306
Washington, D.C. 20554

Karen Majcher
Vice President, High Cost & Low Income Division
Universal Service Administrative Company
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

**RE: State Rate Comparability Review and Certification for Non-Rural
ILECs,
 CC Docket No. 96-45**

To the Filing Representatives:

Pursuant to 47 C.F.R. § 54.316,¹ the Public Utility Commission of Texas (Texas PUC) certifies that the rural residential rates charged by SBC Texas and Verizon² as of July 1, 2006 were below the Federal Communication Commission's nationwide urban benchmark of \$34.58.

Therefore, for purposes of § 254(b)(3) of the Federal Telecommunications Act, the Texas PUC certifies that the rural residential rates charged by SBC Texas and Verizon are lower than urban rates nationwide, and therefore they satisfy the "reasonably comparable" standard.

¹ See *In re Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order, Appendix A (rel. Oct. 27, 2003).

² SBC Texas and Verizon are the two non-rural incumbent local exchange carriers (ILECs) in Texas.

If there are any questions regarding this matter, please contact Jingming Hicks in our Communications Industry Oversight Division, (512) 936-7321.

Respectfully submitted,

Pam Whittington
Division Director,
Communication Industry Oversight
Division